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7/24A New StructureA. Assumptions

In recommending changes in the management and organization of national intelligence this study group has taken as given that:

- The United States as a major world power will continue to have a requirement to collect intelligence.
- Such intelligence will be the basis for military or political action, often by covert means.
- Intelligence will be collected by overt means, by technical collection means and by espionage.
- The need for human intelligence has not diminished because of technological capabilities.
- The United States needs a counter-intelligence capability to protect its intelligence organs.
- The Department of Defense will continue to have the largest single interest in United States intelligence.
- A foreign intelligence organization must be independent if it is to be objective, and if it is not to be treated as secondary to policy and operations.
- Leadership of the national intelligence effort should be vested in a single officer.

B. The Problem

1. "The Public" (to the extent it can be read):
 - Wants an intelligence system, but has little sophistication about what that means.
 - Is at most confused by issues that loom large to us and to Congress--covert action, proprietaries, domestic collection.
 - Wants reassurance that intelligence is generally under control--assassinations, LSD, etc.
2. Congress:
 - Wants a strong intelligence system, and in general understands what this requires.
 - Wants a production capability independent of the military
 - Wants clandestine collection, but has not faced up to necessary secrecy requirements.
 - Probably wants covert action, but wants, or thinks it wants, a larger voice in it.
 - Wants to share in the product, but has not faced up to the implications of this either.

S-E-C-R-E-T

3. The President:

- Wants a strong intelligence system, including covert action.
- Wants reassurance that it is indeed under control.
- Wants it run efficiently, with due regard for budgetary considerations.
- Needs a rationalization of the national/tactical problem, but has not articulated the problem clearly.
- Needs civilian as well as military advice in crisis.
- Needs an informal covert action capability.
- Needs to make visible changes to meet political pressures generated by Congress and the press.

4. We:

- Need to preserve those features that make for a strong intelligence system--independence of production and of R&D, access to information and to policy-maker, and secrecy.
- Want to protect a formal covert action capability, as well as to continue informal action.
- Want to improve our capabilities in production, especially by better control of collectors.

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5. A common denominator solution would include:
 - a. Changes in the public image of intelligence through educational programs, and through;
 - b. Changes that will demonstrate stronger control, by Congress and the Executive, over the operative aspects of intelligence and at the same time maintain secrecy;
 - c. Resolution of the problem of providing product to Congress;
 - d. Resolution of the national-tactical problem.
 - e. Changes that will strengthen the DCI as supplier of intelligence to the President and to the NSC, and as controller of the intelligence budget;
 - f. Maintenance of
 - Independent analysis capability
 - Independent R&D capability and funding
 - Clandestine collection
 - At least informal covert action;

6. Items 5a-c are the subject of other "fundamental issue" papers. This paper is to deal with items d-f, but must reflect the imperatives in a-c as well.

C. The Defense Problem

1. The relationship between the DCI and the Defense establishment is fundamental to any management organization for intelligence. As earlier sections of the paper have shown, it has also been the reef against which many otherwise rational and desirable changes in the Community have foundered. If this relationship cannot be changed in any major way to rationalize the DCI's position and strengthen his influence over defense intelligence programs, then we would recommend only limited changes in Community management, designed to bring some marginal increase in DCI influence over specific programs with minimal disruption of existing arrangements. These changes appear in Section E below as Options 1 and 2.

2. Limited programs of this kind may be the only kind that are politically and bureaucratically feasible in 1975. Yet 1975 is also a traumatic period, when the impossible suddenly becomes reachable. We have recognized the powerful interest of the DOD in major national technical collection systems but have noted Congressional concern lest the DOD come to dominate the intelligence machinery. Presidential concern for economy in intelligence is focused on resource management for these same systems. Moreover, we

believe any marked improvement in the DCI's control over collection can only come through stronger control over resource. In other words, a stronger DCI role in resource management serves three important purposes.

3. It is possible, therefore, that we might find strong backing for a less conservative approach, one that would attack the root of the problem as we see it. The ultimate purpose of the defense establishment is war. The role of the SecDef in war is very clearly established and is embodied in the NCA concept; the role of the DCI in war is fuzzy indeed. This is the root from which their differences grow. It causes bureaucratic guerilla warfare across a wide front. We skirmish for authorities, access, systems, resources--DOD because it needs them in war, CIA because it needs them in peace.

4. The result is inevitable: with a clear mission and authority, and able to plead the security of the nation in war, the DOD wins the argument every time, a truth reflected in the relative size of its intelligence budget. In winning, however, the DOD has prevented the DCI from doing his assigned job probably for more than two decades. We still do not have a truly national intelligence system. Moreover, at the onset of war, or at various

undefined points in a major crisis, national intelligence assets would be transferred piecemeal to DOD control under chaotic conditions. The nation would not be well served.

5. If we were to tackle the problem from the wartime end rather than, as we have, from the peacetime one, things might better fall into place. The National Security Act of 1975 might read more or less as follows:

The DCI shall be responsible to the President through the National Security Council, except that in the event of major hostilities he shall be responsible to the President through the Secretary of Defense, unless the President directs otherwise. When he is subordinate to the Secretary of Defense he shall retain the right to render substantive assessments independently to the President.

6. Such a formulation might cause the interests of the Sec Def and DCI to converge where they are now adversary. The Sec Def would be more interested in seeing that the DCI built a strong national intelligence system in time of peace; the DCI would be more concerned that the system be designed to meet the DOD's needs in time of war. At the onset of war the entire system, including the DCI, would move

to Defense as a unit with far less disruption of internal command mechanisms. The door would be open to develop a unitary system, with a unitary budget, in peace. At the same time, the Congress could be assured that the peacetime DCI was in fact independent of the DOD.

7. Options 3-5 contain programs that might derive from a relationship changed in this way.

D. The Role of the DCI

1. We are faced with a paradox: there are strong pressures to strengthen the DCI and we believe this would be desirable; there appear also to be strong pressures to weaken him, and we fear this may be necessary. The two may be reconcilable, however. Those who wish to weaken have no clear idea what it is they are seeking. They are after CIA, or the intelligence octopus, or "dirty tricks", or Big Government. We who wish to strengthen, on the other hand, know much more precisely what is needed. The solution may be to balance an increase in the DCI's management powers where he really needs them with a decrease or diffusion of his line authority where he can do without.

2. A particular issue is CIA itself. Some would argue that the organization is so tarnished in the public eye that total reorganization and/or dismemberment is called for. We do not agree, but we believe that organizational arrangements that permit the DCI to distance himself from CIA, or portions thereof, should be considered.

3. CIA's public reputation is unfortunately a fact. A DCI not closely identified with it would be far more politically acceptable and available as the senior national intelligence officer. Indeed, a President would find it much easier to give a DCI the access and confidence upon which his power must ultimately rest if the DCI is not considered to be himself an intelligence operator. Moreover, we have already noted that present arrangements require the DCI to manage too broad a range of interests; if we increase further his management and budgetary role, these arrangements must change if he is to cope.

4. On the other hand, the DCI cannot do his job by himself. If he is to manage national intelligence, he must have strong staffs in the resource and collection guidance fields. If he is to be the President's intelligence officer, he must have an equally strong

substantive staff. In fact, we believe these three functions so closely depend on one another that they must be maintained under single management in any case. Thus it appears essential that the DCI retain under his direct control the production elements of CIA.

4. At the opposite end of the scale is the DDO. It is the primary target of outside criticisms, and thus the element of CIA with which the DCI should have the least association. This must be balanced, however, against the DDO's usefulness--and contribution to the DCI's power--as an agent of covert action.

5. All our options provide the DCI with the three staff elements listed above. Options 1-4 balance progressive increases in his management authority with considerable diffusion in his line authority, while preserving an action channel to the DDO. Option 5 assumes that politically acceptable checks on the DCI's power can be had through external controls and thus provides him line authority as well.

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E. Options

1. Option 1 would ~~have~~ ^{LEAVE} the DCI's relationship to DoD ~~would~~ be essentially unchanged. Other measures would increase his influence by bringing him closer to the President, while reducing his direct role in intelligence operations.

a. Amend the Act ~~of~~ of 1947 to make the DCI a member of the NSC. This would strengthen the DCI's position as adviser to the President. The returns would be intangible but nonetheless real. It would also open the way for step c. below.

b. Retain under the Act a separate CIA, under a DCIA responsible to the NSC. This would have the effect of reducing DCI association with those elements of the Agency under attack. His influence on CIA would be strong, however, because of his position as the "intelligence member" of the NSC, because he would be the channel for Presidential instructions, and because he would have a strong hand in DCIA's budget (although DCIA would defend CIA's budget as DCI does now).

c. By Presidential Directive, amend the NCA concept to include the Secretary of State and the DCI as key Presidential advisers who must be supported and kept informed. This is intended both to fill

an obvious gap in existing arrangements for politico-military advice to the President, and to halt the present erosion by the military of the DCI's role in crisis management.

d. Retain under direct DCI control the production elements of CIA and combine with these strong budget and collection guidance staffs. Such a group, working closely with OMB, would provide the DCI with strong (but inconspicuous) instruments of control over the Community.

e. Establish an EXCOM for NSA. Not an ideal solution, it would at least be recognition that NSA presents a most difficult problem for the DCI.

f. Divide USIB into a collection board, including a representative from the policy side of State and a production board; reorganize its committees accordingly. This would serve three purposes: a less unwieldy structure; apparent diffusion of authority; involvement of State in matters of cover and Foreign Service reporting. Estimates would be issued by the production board as they are now by USIB.

2. Option 2 would strengthen Option 1 by giving the DCI additional budgetary authority. In addition to his new budget, there would be appropriated to him, for further allotment to the agencies concerned, funds for CIA, for the CIA portion of the NRP, and for some "national" component of the CCP. Otherwise, the arrangements suggested under Option 1 would stand.

3. Option 3 rests on the basic change in the DCIs Sec Def relationship suggested in C5 above. Its terms would probably preclude the DCI from becoming a member of the NSC, and his inclusion in the NCA would be irrelevant. Otherwise, steps b and d-f of Option 1 would be carried out. In addition:

a. The full intelligence budget would be appropriated to the DCI for allocation. This would be handled by the EXCOMs for NRP and CCP, and by the Directors of CIA and DIA as executive agents for CIAP and GDIP.

b. ASD(1) would be abolished, his role being essentially played by the DCI or by a Deputy DCI who would be a military officer.

c. IRAC would be abolished.

d. There would be created a National/Tactical Intelligence Planning Board, chaired by the DCI or his military deputy, with representation from the JCS, perhaps the U and S Commands, DIA, NSA, NRO, and CIA. Its function would be to reconcile national and tactical needs in peace and in war, and to ensure that peacetime operations were so organized that the transition to war could take place with a minimum of disruption.

e. The DCI's staff would be augmented to include an audit staff with appropriate powers over all the activities funded by him.

4. Option 4 creates a simpler structure than Option 3, while going considerably further toward centralization.

a. The DCI would become a member of the NSC and be written into the NCA as in Option 1.

b. He would have the budget and audit authorities of Option 3.

c. ASD(I) and IRAC would be abolished and a Planning Board created, as in Option 3.

d. There would be created Subcommittee of the NSC for Intelligence Collection, responsible to the NSC, that would control CIA, NRO, and NSA (and could reorganize them). The DCI would sit on the subcommittee but would not chair it. It would have a small permanent staff.

e. The EXCOMs and the Collection Board would be eliminated. Their functions, and such matters as cover, intelligence installations overseas, and Foreign Service and MAAG reporting, would be handled by the Subcommittee.

f. Lest he be outweighed by the Chairman of the Subcommittee, the DCI would be further strengthened by addition of an inspection staff with access throughout the national intelligence structure.

5. Finally, under Option 5 there would be created a true unitary structure, with no attempt to diffuse or weaken the DCI's authority.

a. He would retain his present relationship to the NSC, but would come under the Sec Def in war, as in Option 3.

b. He would become Director of National Intelligence, with line control over CIA, NRO, and NSA, as well as the production and control elements that make up his staff under the other options.

c. His budget would of course include these activities; whether it should include the GDIP is unclear.

d. The National/Tactical Planning Board would be established. An NSC SubCommittee, in this case chaired by the DCI, would handle some of the broader problems noted in 4e. ASD(I), ~~IRAO~~, the EXCOM's, and the Collection Board would disappear. The Production Board would continue.

6. A loose end in Options 3-5 is the relationship between the DCI and DIA in wartime. One possibility would be an integrated arrangement whereby the DCI reported upward to the national authorities and DIA reported downward to the field commands.

Approved For Release 2004/05/13 : CIA-RDP91M00696R000700130010-5

	PRESENT Adv to NSC	1 NSC Member	2 NSC Member	3 Adv to NSC	4 NSC Member	5 Adv to NSC
DCI Status in peace	Adv to NSC	NSC Member	NSC Member	Adv to NSC	NSC Member	Adv to NSC
DCI Status in War	Unknown	Adv to NCA	Adv to NCA	Resp to Sec Def	Resp to Sec Def	Resp to Sec Def
DCI has line auth over	CIA	PROD	PROD	PROD	PROD	PROD, CIA(-) NSA, NRO, (DIA?)
DCI has budget authority over	CIA	PROD CIA(-) Indirect	PROD, CIA(-) NRO + NSA (Partial)	ALL	ALL	ALL (DIA?)
DCI has staff powers for	PROD	PROD Limited Collec.guid.	PROD Collect guid some budget	PROD Collect guid budget audit	PROD Collect guid budget audit inspect	PROD --Now line auth.
Line Auth for CIA rests with	DCI	NSC	NSC	NSC	NSC SubCom.	DCI
for NSA with	SecDef	EXCOM	EXCOM	EXCOM	NSC SubCom.	DCI
for NRO with	EXCOM	EXCOM	EXCOM	EXCOM	NSC SubCom.	DCI
for DIA with	SecDef-JCS	SecDef-JCS	SecDef-JCS	SecDef-JCS	SecDef-JCS	SecDef-JCS?
Budget auth for CIA rests with	DCI	DCI Indirect	DCI	DCI	DCI	DCI
for NSA with	ASD(I)	DCI-ASD(I)	ASD(I)	DCI	DCI	DCI
for NRO with	ASD(I)	ASD(I)	DCI-ASD(I)	DCI	DCI	DCI
for DIA with	ASD(I)	ASD(I)	ASD(I)	DCI	DCI	(DCI?)

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DCI chairs	USIB	USIB (PROD)	USIB (PROD)	USIB (PROD)	USIB (PROD)	USIB (PROB)
		USIB (COLL)	USIB (COLL)	USIB (COLL)		
NRO EXCOM		NRO EXCOM	NRO EXCOM	NRO EXCOM		
		NSA EXCOM	NSA EXCOM	NSA EXCOM		
IRAC		IRAC	IRAC			

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